



AAT

Business Tax **Finance Act 2024**

For assessments from
27 January 2025 to January 2026

Pocket notes

These Pocket Notes support study for the following AAT qualifications:

AAT Level 4 Diploma in Professional Accounting

AAT Diploma in Professional Accounting at SCQF Level 8

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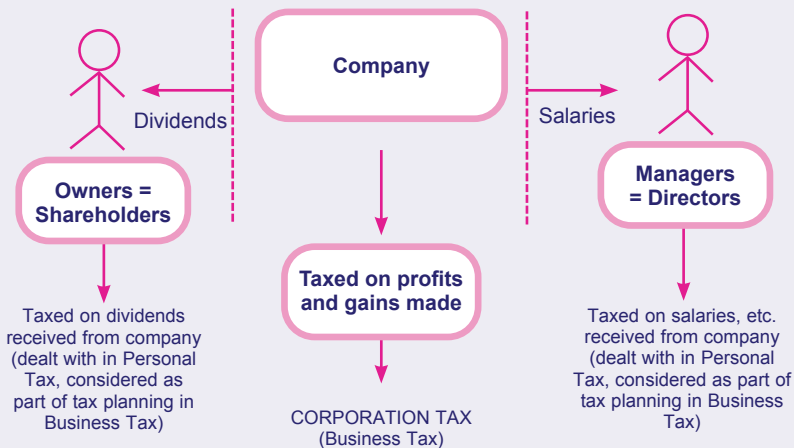
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Introduction to business tax

- Company.
- Sole trader.
- Partnership.
- Tax legislation.
- Tax planning, avoidance and evasion.
- Duties and responsibilities.
- Confidentiality.
- Money laundering.
- Tax advice.

Company

A company is a legal entity, separate from its owners and managers.

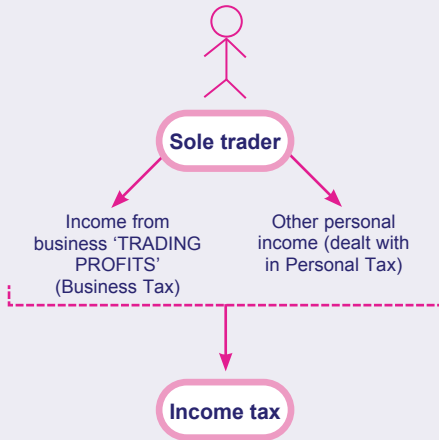


Note: In a lot of cases the shareholders and directors are the same people. This will only be relevant when we consider tax planning in the Business Tax assessment.

Sole trader

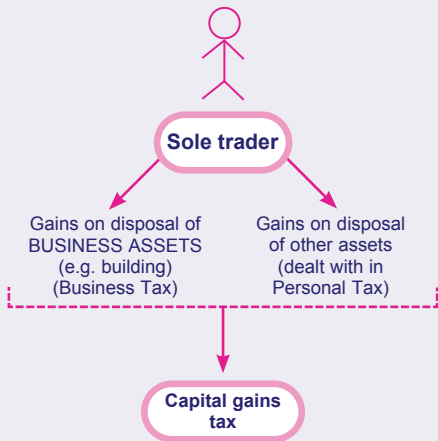
A single individual setting up an unincorporated business (i.e. not a company) is known as a sole trader.

A sole trader is not a separate legal entity.



CBA focus

In the Business Tax assessment, you are not required to complete a full income tax computation/income tax return. You are only required to deal with the business aspects. However, you may have to advise on the rates of income tax applicable to unincorporated businesses as part of a tax planning discussion in Task 8.



CBA focus

In Task 10 of the Business Tax assessment, you may be required to complete a capital gains tax computation. However, the sole trader will only have disposed of business assets.

Partnership

- A number of individuals carrying on a business together with a view of profit.
- Another form of unincorporated business, not a separate legal entity.
- Treat as a collection of sole traders working together.
- Each partner pays their own income tax and capital gains tax on their share of the partnership's profits and gains.



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